# Outsourcing Desktop Services In Europe

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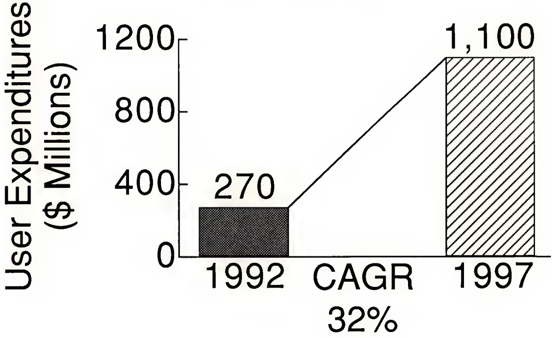
# Desktop Services Market
# Europe

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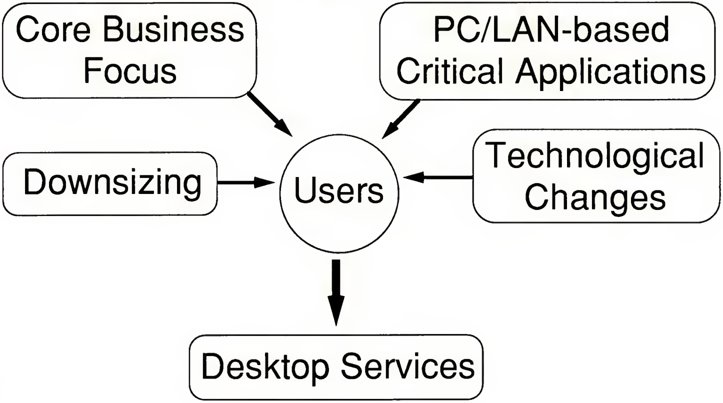
Desktop Services, Europe

# Driving Forces

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# The Decision Process

| Site of Organization | In-House Capability Level | Source of decision to outsource |
|---|---|---|
| Large organizations | High | Senior executives |
| Medium-sized organizations | Low | IS management |

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# Major Country Markets, 1992

| Country | 1992 Revenues ($ Millions) |
|---|---|
| United Kingdom | 120 |
| Germany | 40 |
| France | 30 |
| Netherlands | 25 |

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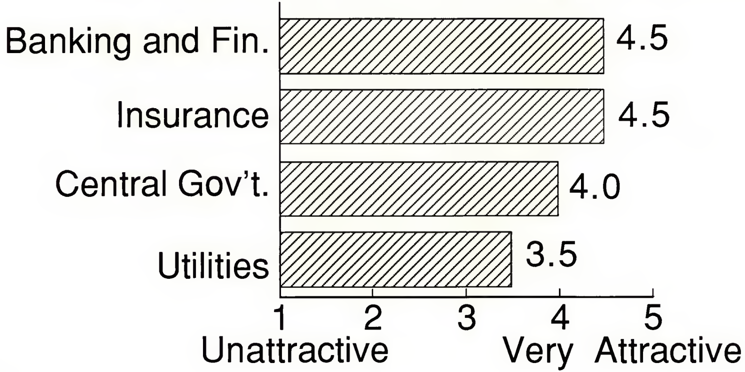
# Attractiveness of Industry Sectors

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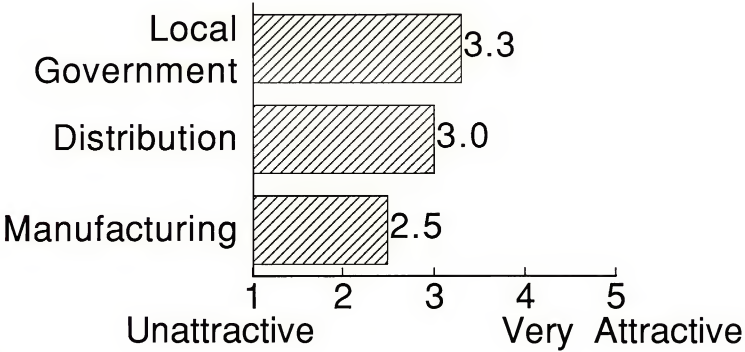
# Attractiveness of Industry Sectors

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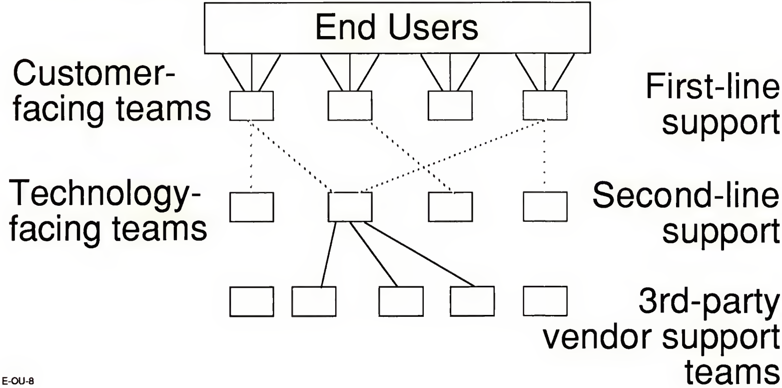
# Delivery of Help Desk Services

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# Pricing Mechanisms

- Cost of on-site support plus mark-up
- Monthly usage of remote help desk
- Volume discounts

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# P&P: Service Offerings

- Contract managed support
- Dealer to Times Top 100
- Frequently take on user IS personnel
- Open relationship
- Tailored service

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# Delivery Capability
# P&P Corporate

| Service Element | Level of Capability |
|---|---|
| Purchasing consulting | High |
| Equipment purchase | High |
| Equipment maintenance | High |
| LAN/equipment installation | High |
| LAN management | High |

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# Delivery Capability
# P&P Corporate

| Service Element | Level of Capability |
|---|---|
| Help desk services | |
| - Systems software | High |
| - Applications SW products | High |
| Second-line technical support | High |

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# P&P: Strengths and Weaknesses

| Strengths | Weaknesses |
|---|---|
| • Targeting major corporations | Lack of mainframe and proprietary systems operations capability |

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# P&P: Strengths and Weaknesses

| Strengths | Weaknesses |
|---|---|
| • Knowledge of 9,000 PC products | Lack of industry expertise |
| • Vendor independence | European coverage still embryonic |

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# Service Offering: iTNet

- Led by LAN implementation
- Targeting IS management
- Mainly second-line support
- Local service only

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# Delivery Capability: iTNet

| Service Element | Level of Capability |
|---|---|
| Purchasing consulting | Low |
| Equipment purchase | Low |
| Equipment maintenance | Medium* |
| LAN/equipment installation | High |
| LAN management | High |

* = via partner

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# Delivery Capability: iTNet

| Service Element | Level of Capability |
|---|---|
| Help desk services | |
| - Systems software | Medium-High |
| - Applications SW products | Low |
| Second-line technical support | Medium |

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# Strengths and Weaknesses: iTNet

| Strengths | Weaknesses |
|---|---|
| • LAN implementation expertise | Lack of support of standard applications software packages |
| • Systems operations customer base | Feel constrained by geographic coverage |

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# Strategies: Professional Services Vendors

- Only targeting desktop services as part of wider offering

- Concentrating on network implementation and management

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# Professional Services Vendors

| Strengths | Weaknesses |
|---|---|
| • Networking capability | Lack of supply cap. |
| • Synergy with systems operations | Lack of depth and breadth of software product knowledge |
| • Access to large accts. | Lack of ambition |

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# Dealer/Distributor Strategies

- Develop pan-European capability
- One-stop shopping
- Partnerships for proprietary capability
- Major opportunity to enter high-margin services business
- Targeting system development

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# Personal Computer Dealers

| Strengths | Weaknesses |
| --- | --- |
| • Full desktop services capability | Lack of mainframe and midrange capability |
| • Breadth and depth of product knowledge | Pan-European capabilities still embryonic |
| • Vendor independence | |

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# Key Trends

- Outsourcing ITTs increasingly request desktop services

- Desktop services also emerging as standalone service

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# Key Trends

- Downsizing producing substantial market growth
- Could become dominant form of infrastructure management

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# Vendor Challenges

- Independence of supply
- Full-service capability
- Breadth of software product support capability
- Up-to-date technical skills
- Pan-European coverage

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